



South Hams & West Devon

Tenancy Strategy



August 2021



South Hams
District Council



West Devon
Borough Council



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1. Introduction

The Localism Act 2011 placed a duty on all local authorities to produce a Tenancy Strategy that sits alongside its Housing Strategy and Allocations Policy.

The strategy is required to set out what Registered Providers of Social/Affordable Housing should take into consideration when making decisions about their individual tenancy policies. As the Councils no longer have any housing stock, this strategy sets out how we expect Registered Providers with affordable housing in the area to respond to the relevant changes introduced by the Act.

In accordance with the Localism Act, this strategy sets out:

- The kind of tenancies Providers should offer.
- The circumstances in which Providers should grant a tenancy of a particular kind.
- Where the tenancy is for a fixed term, the recommended length of the term.
- Circumstances in which the Provider should grant a further tenancy on the ending of the existing tenancy.

The 2021 Tenancy Strategy is the result of a review of the Councils 2013 Tenancy Strategy and reflects current local issues of housing need and affordability. It has been revised alongside other key Council Strategies such as the Corporate Plan, Joint Local Plan, the Housing Strategy and the Homelessness Strategy.





2. Corporate Priorities

The Localism Act (2011) requires Local Authorities when preparing their strategies to take into account the council's key corporate policies and strategies.

This strategy considers these priorities and is complementary to the Council's key corporate plans/strategies, which are:

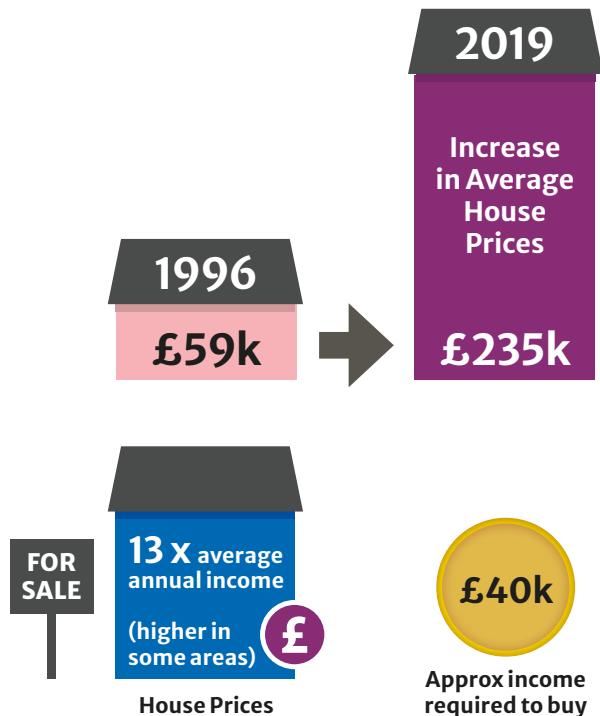
- ◆ South Hams and West Devon Housing Strategy 2021 - 2026
- ◆ South Hams and West Devon Homelessness Strategy 2017 - 2022
- ◆ South Hams and West Devon Local Allocation Policy
- ◆ Plymouth and South West Devon Joint Local Plan 2014 - 2034



**Improving
homes**

3. The Local Housing Market

Affordability is a key issue for South Hams and West Devon and the demand for affordable homes continues to increase. It is essential therefore that the existing housing stock is used in the most effective way.



Affordable Housing Stock

South Hams affordable housing stock comprises of 5041 properties. West Devon’s affordable housing stock comprises of 2583 properties. 11.3% of the households in the South Hams and 9.5% in West Devon live in the affordable rented sector; this is below the national average of 17.7%.

Income and Affordability

The affordability of the housing market is one of the key issues facing the area. Over the last 23 years, the average house price in the UK has increased from £58,854 in August 1996 to £235,298 in November 2019, quadrupling the deposit needed to buy. An income of approximately £40,000 is required to purchase a lower quartile property in the area. There is a clear disparity between this and local household incomes. House prices are on average are 13 times more than average earnings. In some areas, such as Tavistock it is more acute at a ratio of 14 and in Salcombe where the average house cost is £664,632, that ratio is 24.

Private rented accommodation is also affected, as rental levels are often higher than Local Housing Allowance Rates. For those on lower incomes the requirements for a deposit, rent in advance and agents’ fees are significant barriers to accessing housing in the private rented sector. Benefit claimants and people with pets and children may face discrimination in accessing private rented housing. Insecurity of tenure in this sector continues to be an important cause of homelessness and of approaches to our housing options/advice services.

Housing Need

The combination of high house prices and low incomes creates significant demand for affordable rented homes. The number of applicants registered for affordable housing with Devon Home Choice is set out in the table below.

Area	Number of Applicants in bands A-D
South Hams	768
West Devon	482

Data source: Devon Home choice – July 2021

4. Affordable & Social Rent

Background

Registered Providers now have the flexibility to charge rents of up to 80% of local market rents to enable them to secure additional financial capacity for new homes. This applies to new homes and a proportion of re-lets, but only where this is part of their agreement with government to build new homes. The ceiling of 80% is inclusive of service charges.

Affordability and rents are a major issue locally because of high house prices and low incomes. In addition, affordability has an important link to the local economy, particularly for low paid and seasonal workers. Whilst both South Hams and West Devon formally support Affordable Rent, it is important that rent levels are set having regard to specific local issues.

With the adoption of the Plymouth & South West Devon Supplementary Planning Document in 2020, we will now be seeking Social Rent tenure on new housing developments. Please see paragraphs 4.78 – 4.82 for more information.

www.plymouth.gov.uk/sites/default/files/JLPSPD2020FINALred.pdf

Our expectations on Affordable and Social Rent

When developing their tenancy policies we expect Registered Providers to have regard to the following:

The Councils recognises that developing associations will be charging Affordable and Social Rents on new developments and on a proportion of re-lets. The Councils defines Affordable Rent as:

‘a rent which does not exceed 80% of the Open Market Rent (inclusive of any service charges) for the relevant property type and in any event should not exceed the published Local Housing Allowance for the relevant property type and in the relevant property market area allowing for any modifications to a level of allowance as published from time to time by the Government SAVE THAT the rent charged under all lettings may be increased annually by a proportion equivalent to an increase by the Consumer Price Index plus 1%, or any relevant increase determined from time to time by Homes England’

The Councils defines Social Rent as:

“Affordable housing units let at a rent which meets guideline target rents determined through the national rent regime. Rent levels should not exceed target rent levels recommended for the area and the type of accommodation by the Homes and Communities Agency”

The Council expects Registered Providers to take the level of service charge payable on the property into account when looking at affordability. Rent and basic service charges, excluding water/waste, pull-chords/alarms etc., should be included in the rent setting, which should fall below the Local Housing Allowance rate. Extra Care accommodation is exempt from this requirement.

It is expected that Registered Providers will endeavour to keep increases for Universal Credit eligible service charges within the CPI + 1% Guideline Limit.

The Councils would also like to see Registered Providers carrying out an affordability assessment when letting properties at rents, which are close to the current Local Housing Allowance, to ensure that the tenancy will be sustainable over time.

5. Charge no more than 2 weeks rent in advance

The Councils would like to see households being able to transition smoothly into safe and secure homes, regardless of income.

We support and encourage clients to prioritise paying rent, but we are increasingly concerned that there is a significant number of people who cannot afford upfront payments.

It is vital that homeless households, people on low incomes and people who cannot access other forms of housing can find a home they can afford. Social housing provides that safety net, but one month's rent in advance is simply not affordable.

We wish to support the good work registered providers do on behalf of their tenants, including the ability to offer flexibility for those who may be struggling financially. However, it is the Councils opinion that access to social housing should be fair and equitable and that rent in advance is a barrier to those with little, or no income, or no savings.

A key function of social housing is to provide accommodation that is affordable to people on low incomes. However, it would appear that decisions about the amount of rent in advance are being made upon personal, protected characteristics and income and this could be seen as discriminatory practice. Furthermore, there is no regulation around what happens at the end of a tenancy when rent in advance is charged and fully paid up by Universal Credit.

Registered Providers should therefore charge no more than 2 weeks rent in advance, clearly stating the amount when advertising and not requesting payment above this upon shortlisting.

Additionally, we would like to see providers publish an online rent in advance policy. The policy should clearly set out how rent in advance will be used, how it is returned, the process should the tenancy transfer to another provider and that no damages, or court costs will be deducted from these payments.

Where delays to the housing element of Universal Credit has led to providers being unable to offer financial flexibility, the Councils are keen to work in collaboration to find solutions for providers and their tenants that will work to both reduce rental arrears and sustain tenancies.

The Councils recommend that:

- There should be better access to pre-tenancy information for tenants, including budgeting and income maximisation.
- Introduce a financial assessment for potential vulnerability at the allocation stage.
- Providers should continue to improve their engagement with tenants and prioritise tenancy support, including helping tenants get online where appropriate.
- Joint working arrangements between the Council, the Department of Work and Pensions and registered providers should be maintained to ensure a holistic service is provided.

6. Types of Tenancy

Background

Historically, social housing tenants have been offered an assured or secure tenancy, which granted them a home for life. Fixed term tenancies were introduced as part of the Localism Act with the aim of helping Registered Providers to offer more flexible tenancies that would enable them to make the best use of their housing stock and to better meet local housing needs.

The Councils expect Registered Providers to offer tenancies in line with the new tenancy standards i.e.

“Tenancies which are compatible with the purpose of the accommodation, the needs of individual households, the sustainability of the community and the efficient use of their housing stock”

Registered Providers are able to offer fixed term tenancies on a minimum fixed term of five years, however in exceptional circumstances flexible tenancies can be for as little as two years. Registered Providers will still be able to offer the types of tenancies they currently use, for example secure, assured and introductory tenancies. The new fixed term tenancies are in addition to those currently available and social landlords do not have to use them. Existing secure and assured tenants cannot have their tenancies converted to a fixed term tenancy and many are offered special protections if they transfer to another home.

Our expectations on the Type of Tenancies

When developing their tenancy policies we expect Registered Providers to have regard to the following:

- To use five years as the minimum term for all fixed term tenancies. In exceptional circumstances, Registered Providers may set out shorter fixed term tenancies of a minimum of two years. Such exceptional circumstances should be set out and justified in the provider's tenancy policy. We expect Registered Providers to discuss with us the schemes where tenancies of less than 5 years are being considered;
- To take into consideration recommendations from the Council and other partner organisations regarding the use of lifetime or longer term fixed tenancies for specific vulnerable households to ensure that they are not adversely disadvantaged;

- We strongly recommend that Registered Providers actively encourage tenants to downsize to smaller accommodation where appropriate. Downsizees are given additional priority under the Council's allocation scheme and financial incentives may be available subject to budget demands.
- The Councils are keen to promote mobility within social housing and expects landlords to actively promote schemes to facilitate mutual exchange. Registered providers shall ensure the provider of the internet based mutual exchange service to which they subscribe is a signatory to an agreement, such as Home Swap Direct, under which tenants can access matches across all (or the greatest practicable number of) internet based mutual exchange services. They should also take reasonable steps to publicise the availability of any mutual exchange service that allows:

1. a tenant to register an interest in arranging a mutual exchange through the mutual exchange service without payment of a fee
 2. the tenant to enter their current property details and the tenant's requirements for the mutual exchange property they hope to obtain
 3. the tenant to be provided with the property details of those properties where a match occurs
- Registered providers shall clearly set out, and be able to give reasons for, the criteria they use for excluding actual and potential tenants from consideration for allocations, mobility, or mutual exchange schemes.



Our expectations on Tenancy Renewal

Circumstances in which the Councils expect that the tenancies are not renewed but an alternative offer should be made:

- **Size:** Tenancies should not normally be granted for properties that are significantly larger than the household requires unless set out in Local Lettings Policies. Exceptions might include examples such as where it is necessary to accommodate a full or part-time live-in carer, to enable access to dependent children where care is shared or to limit occupation because of local housing management issues. Any under-occupation should have regard to local housing market conditions; examples might include remoter rural settlements.
- **Extensive Adaptations:** Tenancies should not be renewed if the properties include the provision of extensive adaptations that are no longer required by anyone living in the household.

Circumstances in which the Councils expect the tenancy not to be renewed and no offer of alternative accommodation to be made are:

- **Income:** Tenancies should not be granted if the income of the household is above the income limit as set out in Devon Home Choice policy, or a local limit set by the Local Housing Authority. The Registered Provider may choose to encourage the household to remain in the property but on different terms e.g. paying full market rent, part or full owner.
- **Possession Proceedings:** If breach of tenancy conditions is to be used as a ground for non-renewal of the tenancy it is expected that Registered Providers will have already started possession proceedings. This will help demonstrate that the Registered Providers believe that the decision not to renew is proportionate and in pursuit of a legitimate claim. We expect Registered Providers to have looked at all the options i.e. exhausted other remedies before withholding the renewal of a tenancy on these grounds.

The Councils asks Registered Providers to notify the Housing Options service where a tenancy is being brought to an end and no alternative accommodation is being offered. A protocol for the notification process is in place.

7. Co-operate with the Councils to make the best use of stock

Registered Providers shall co-operate with South Hams and West Devon Councils strategic housing function and our duties to meet identified local housing needs. This includes assistance with our homelessness duties, and through meeting obligations in nominations agreements.

Local letting plans

The Councils expect Registered Providers work in partnership with the Council to develop local lettings plans to help create sustainable communities. The aim of a lettings plan would be to ensure that providers let homes in a way that:

- Develops balanced and mixed communities
- Promotes social inclusion
- Meets the needs of those in the greatest housing need
- Maximises the housing choice for applicants
- Minimises re-let periods
- Makes the best use of the stock, for example downsizing and better use of adapted homes
- Enables people to live and work in rural areas

Direct matches

The Councils would like to work with Registered Providers to set up direct matches on adapted homes that are fully wheel chair adapted and/or have wet rooms. This may require attendance at our Disabled Adapted Needs Panel Meeting if appropriate.

8. Disposal of Affordable Housing

Background

Given the high level of need for affordable housing, the Council would not generally wish to see the disposal of affordable housing stock. It is recognised that disposals may be appropriate in certain circumstances. This may for example include property which is uneconomic to maintain, or is not of a type or in a location which meets housing need.

There is a very limited amount of supported housing for vulnerable people in the area. Therefore, where possible, it is preferable that such accommodation is retained. If schemes become unviable to run, the Council will need to be assured that adequate alternative provision has been made for residents. Any Registered Provider will need to explore with the Council any opportunities to use these properties or retain the land for delivering additional affordable housing in the future.

There is an acute need for larger affordable family homes. Registered Providers should not dispose of accommodation that has four or more bedrooms unless exceptional circumstances can be demonstrated.

Our expectations on Disposal of Affordable Housing

When considering the disposal of affordable housing stock we expect Registered Providers to have regard to the following:

- The Councils will not generally support the disposal of the following types of housing without a very strong case being made to the Local Housing Authority;
 - Larger homes, which are defined as three bedroom houses with potential for use as 4 bedroom homes. For example they may have a dining room and living room or they may have three double bedrooms.
 - Larger homes capable of accommodating 6 people or more.
 - Properties that may be suitable for 'downsizing' initiatives.
 - Homes in smaller, rural settlements i.e. as defined in Statutory Instrument 1997 No 621.
- The Councils may support disposals in certain circumstances. This may include property which is uneconomic to maintain, or is not of a type or in a location which meets housing need.

Registered Providers Tenancy Policies

The Localism Act requires local authorities to signpost people to where Registered Providers' tenancy policies can be found. A list of Registered Providers with Stock in in South Hams and West Devon can be found at **Appendix 2**.

9. Equal Opportunities

The Councils are committed to equality of opportunity and anti-discriminatory practise in service provision and seeks to promote social inclusion.

Every effort will be made to ensure that housing applicants are treated fairly and sensitively. Applicants who are eligible to join Devon Home Choice will not be discriminated against on the grounds of race, colour, ethnic or national origin, disability, religion, age, gender, sexual orientation or marital status. All applicants will be asked to provide details of their ethnic origin. Devon Home Choice complies with the Equalities Act 2010.

This strategy will be amended and updated in order to conform to new housing and other relevant legislation and case law and to ensure that they do not operate in a way that discriminates against or disadvantages any particular group.

Registered Providers should adhere to their equality and diversity policies when monitoring an implementing this strategy and ensure they operate in compliance with the Equality Act.

10. Monitoring and Review

We will monitor this Tenancy Strategy through annual updates and, where necessary, meetings with individual Registered Providers and/or key stakeholders.

The Councils request that Registered Providers provide up to date copies of their Tenancy Policies and notifies the Councils of any proposed changes.

Appendix 1 – Local Housing Allowance Rates

This website shows the weekly Local Housing Allowance rates for the South Hams and West Devon areas depending on postcode.

<https://lha-direct.voa.gov.uk/search.aspx>

Appendix 2 – Registered Providers Tenancy Policies

These are the contact details of Registered Providers with stock in South Hams and West Devon. Providers will be able to provide details of their tenancy policies.

Registered Provider	Telephone	Website
Advance Housing	0333 0124307	https://www.advanceuk.org/
Anchor	0808 1026795	www.anchorhanover.org.uk/
Aster	0333 4008222	www.astercommunities.co.uk
Guinness Hermitage	03031231890	www.guinnesspartnership.com
Hastoe Housing Association	03001232250	www.hastoe.com
Legal & General Affordable Homes		www.legalandgeneral.com/affordable-homes
Live West	03001238080	www.livewest.co.uk
Magna	01305 216000	www.magnaha.org.uk
Plymouth Community Homes	0808 2306500	www.plymouthcommunityhomes.co.uk
Sovereign South & West	0300 5000 926	www.sovereign.org.uk
South Devon Rural Housing Association	01803 863550	www.southdevonrural.co.uk
Sanctuary Housing	0800 1313348	www.sanctuary-housing.co.uk
Teign Housing	01626 322722	www.teignhousing.co.uk
Westward Housing Group	0300 100 1010	www.westwardhousing.org.uk
Willow Tree Housing Society	01752 250902	www.tamarhs.org

Advice if you are worried about paying rent in advance

Almost all of the partner landlords providing affordable housing in our area will require at least 2 weeks of rent in advance at the point of tenancy sign up. It is essential if you are looking to move into affordable housing that you consider setting up a savings plan to meet these initial costs. Any money you have saved toward the rent in advance is great – even if it is not quite enough to cover the full cost. If you are worried that you may not be able to raise enough money there are several options for you to consider.

Building up a rent in advance sum after you have moved in

Many Housing Associations will allow you to pay a weekly or monthly contribution on top of your rent to build up a rent in advance sum on your rent account. Speak with your Housing Association Housing officer about setting up a payment scheme for your Rent in Advance.

Financial Support options

Turn 2 Us is a free, accessible website offering a range of tools to help people access the money

available to them through benefits, grants and other financial help. The site has been designed to help people find appropriate sources of financial support, quickly and easily, based on their particular needs and circumstances

Your local Authority Housing Advice team can often provide advice on local initiative to help people access funding to assist with a move

Credit unions

Credit Unions are different from banks and other financial institutions. Members pool their savings to provide each other with credit at a low interest rate. Credit unions are community oriented and their purpose is to serve people rather than maximise profits which is why they offer loans at a lower interest rate than from Banks and other financial institutions. The services offered are similar to those offered by banks but they use different terminology e.g. share accounts instead of savings accounts. It is usually the case that you have to be a member of a credit union before you may deposit or borrow money. Find out more at: www.westcountry.org.uk

If you are Homeless or at Risk of Homelessness

South Hams and West Devon's Housing Advice Service may be able to grant or loan you the funding you need to secure a tenancy and prevent you from being homeless. You can contact the Housing Advice team using the email housing.advice@swdevon.gov.uk

Budgeting Loan

To qualify for a budgeting loan you must be in receipt of certain benefits. Find out if you qualify for a Budgeting Loan from the DWP here: www.gov.uk/budgeting-help-benefits/how-to-apply

Discretionary Housing Benefit

If you are already in receipt of housing related benefit or universal credit you may be able to apply for a Discretionary Housing Payment (DHP) to cover the cost of your rent in advance. These are managed by your Local Authority Housing Benefit team.

Further information on being sure you are Rent Ready can be found here: www.devonhomechoice.com/are-you-rent-ready



South Hams
District Council

www.southhams.gov.uk



West Devon
Borough Council

www.westdevon.gov.uk